



# CITY OF JANESVILLE LEGISLATIVE AGENDA 2023

ADAPTABILITY.  
SERVICE.  
RESPECT.  
COMMUNICATION.



**About Janesville...** With 2,611 acres of parkland, 65 improved parks, and 31 miles of paved bike trails, Janesville is Wisconsin's Park Place. Janesville is located on the Rock River in the rolling hills of scenic south central Wisconsin. Founded in 1836, Janesville has a long history of strong industry and economic resiliency, which has helped turn the community into a major commercial and industrial center for the Stateline area.

**About the City of Janesville...** The City's mission is to innovatively provide effective municipal services that are responsive to the needs of residents, businesses, and visitors, which are delivered in a reliable, efficient manner in order to sustain Janesville as the community of choice. As Wisconsin's first city to operate under the council-manager form of government, the City of Janesville has a professional staff managing the full spectrum of municipal services. Key service statistics from 2021 include:

- Calls for Fire/EMS Service: 17,723
- Police Department Activities: 60,425
- Recreation Program Participants: 163,569
- Miles of Streets Rehabilitated: 12
- Signs Repaired and Installed: 2,290
- Bus Rides Provided: 280,299
- Water Meters Installed: 1,961
- Water Main Breaks Repaired: 140
- Square Feet of New or Rehabilitated Space: 770,100
- Building Permits for New Homes Issued: 146
- Families Assisted Through the Rent Assistance Program: 500



**CITY OF JANESVILLE**

*Wisconsin's Park Place:*

*Discover the community of choice  
to realize life's opportunities*

# CITY OF JANESVILLE

## 2023 Federal Priorities

### Issue 1: Support for Housing and Community Development Programs

Federally backed housing and community development programs, like the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs, are critical to assist people who live and work in Janesville and support the local economy. These programs help revitalize neighborhoods, encourage homeownership, improve housing quality, improve fair housing opportunities, and provide low and moderate-income residents with decent, safe, affordable housing. Improving housing results in economic stability, better health, and access to quality education. The City appreciates funding allocated to these vital programs and recent additional appropriations through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. However, the Department of Housing and Urban Development (HUD) may consider changes to these programs to allow for the more effective use of federal funds during a national affordable housing crisis. The City first requests our federal partners raise "Davis-Bacon" thresholds higher than the current \$2,000 threshold.

These requirements artificially inflate project costs not because of the actual pay rates but due to the increase in administrative burden in reporting, documenting, and monitoring compliance. In addition, Davis-Bacon is a deterrent for qualified contractors who may wish to bid on projects but for the requirement.

The City also asks you to revise the CDBG program to allow for the construction of new affordable housing units more broadly. As the incentive to rehabilitate housing into affordable units dwindles, creating new units is necessary to address the national housing crisis.

Finally, the City requests that HUD amend the CDBG program to categorize Fair Housing activities as eligible program activities, not subject to the administrative funding cap. The current caps on administrative funding under the CDBG and HOME programs are insufficient to drive meaningful fair housing actions through increased education, legal advocacy, and enforcement measures.

### Issue 2: Improve the Effectiveness of the HCV Program

Through the Housing Choice Voucher Program (HCV), the City assists approximately 500 families monthly with rent, providing an important safety net for low-income families. Families assisted in Janesville have an average annual income of \$13,157, and 63% of those receive Supplemental Security Income (SSI), Social Security, or pension income. Eligible applicants wait several years for assistance. Even once they are determined eligible for the program, finding housing under the HUD Fair Market Rents definition is challenging. Administrative fees for the HCV program are insufficient to operate the program in a manner that truly supports and encourages family self-sufficiency. The HCV program allows for a home ownership option; however, lenders are applying the housing assistance payment (HAP) as income instead of a direct mortgage offset, which means that only 30% of the housing assistance is being considered, and applications are being rejected.

The City requests our federal partners to revise the formula for calculating Fair Market Rent to reflect current data in a rapidly changing housing market and increase the Fair Market Rent determinations so families can locate suitable housing.

We also ask you to increase administrative funding to 100% of fee eligibility so the City can provide services more effectively.

Lastly, the City requests federal stakeholders revise the FHA underwriting guidelines and consider requiring lenders to utilize the full Housing Assistance Payment as a direct offset to the mortgage payment so that program participants are able to take advantage of this program.

# CITY OF JANESVILLE 2023 Federal Priorities

## Issue 3: Continued Support for Public Transit

The Janesville Transit System (JTS) meets the public's transportation needs by providing bus service within Janesville and regionally, allowing citizens to get to work, school, and essential services such as healthcare. In the summer of 2021, JTS received zero findings from the Federal Transit Administration's (FTA) Triennial Review of the agency. This result indicates the FTA noted no deficiencies in the system's performance or adherence to federal guidelines. Federal funding is vital to support JTS' capital needs and daily operations. We appreciate Janesville's receipt of capital funding, which allowed us to replace buses that were past their useful lives in years and miles. Additionally, we are hopeful to participate in the FTA Lo or No Emission Vehicle Program in the future.

In 2022, JTS applied for a grant for an electric bus pilot program, and while unsuccessful, we remain optimistic FTA will select our application in the future.

The City is grateful for the CARES Act, American Rescue Plan Act (ARPA), and Bipartisan Infrastructure Law funding distributed through the FTA. JTS is putting these dollars to effective use. We are completing strategic capital projects, improving onboard safety for customers and staff, and maintaining our service levels to ensure we work for our residents' benefit. The City would like to thank Congress for prioritizing public transit and remind them of the role this funding plays in meeting the critical needs of our most vulnerable populations.

# CITY OF JANESVILLE 2023 State Priorities

## Issue 1: Fair and Equitable Distribution of State Shared Revenue

State Shared Revenue is critical to the ability of local governments to provide public services to the citizens. However, over the past twenty years, the State of Wisconsin has consistently cut the program, which has seen a staggering double-digit percentage reduction in funding. Now, while the State enjoys a multi-billion-dollar budget surplus, an increasing number of municipalities must go to referendum to fund vital services like public safety. Compounding this problem for Janesville, the State's inequitable distribution of shared revenue sees our City receive the lowest combined property tax and shared revenue allocation per capita of all our 14 peer communities.

If the State's distribution were reasonably adjusted so that Janesville received a percentage equal to the average peer community, the City would see an additional \$5.63 million in shared revenue annually. The City believes state legislators understand the importance of state aid in funding municipalities' essential services. We request that the Legislature acknowledge this by increasing funding for the program and recalculating its distribution formula. This calculation should account for factors such as population and assessed value growth to determine the distribution equitably.

# CITY OF JANESVILLE 2023 State Priorities

## Issue 2: Restoration of Fiscal Local Control

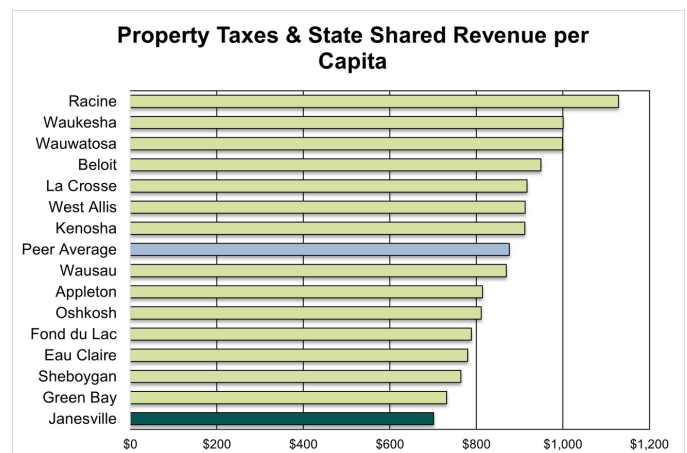
Municipalities provide essential services such as public safety, utility systems, and paved and plowed streets. Despite the great responsibility municipalities assume, the State has stripped the local ability to generate the revenue to keep up with rising costs and meet citizen expectations.

- **Levy limits:** These restrictions hinder a municipality's ability to provide services that grow in cost faster than the increased property value from net new construction. With a net new construction rate of just 2.27% for 2022 and inflation projected well over 7%, state-imposed levy limits again guarantee the City will lose the buying power needed to meet our community's expectation for quality City services. Fiscally prudent municipalities like Janesville, where the property tax per capita is fourth lowest among our 14 peers, are significantly disadvantaged by levy limits. The City asks the State either removing levy limits or allowing municipalities to increase their levies by a maximum of inflation plus net new construction.
- **Expenditure Restraint Program (ERP):** State statute currently allows municipalities to exceed their levy limit if voters approve the increase via referendum; paradoxically, those increases are not exempt from the ERP calculation. Many municipalities with successful referendums increase their budget beyond their ERP limit and lose State aid. For example, the City of Janesville cannot ask the voters to exceed the levy limit for the enhanced street rehabilitation program without the risk of exceeding the ERP limit and losing \$773,000 in aid. The State should address this contradiction by exempting any budgetary increase for a successful referendum from the ERP limit calculation.
- **Local Sales Tax:** The State's \$6.5 billion budget surplus suggests, amongst many things, that sales tax revenue has grown beyond what the State itself needs for its budgetary costs. At the same time, municipalities, which drive economic growth at the community level, remain unable to capture any benefit from sales surcharges

This situation is an outlier in states with strict levy limits, where municipalities are often allowed to levy a sales tax that decrease reliance on State aid and property tax. As a solution, the City asks the State to apportion 0.5% of its 5% sales tax to the municipality where the sale occurs. This proposal would allow a local sales tax while not impacting consumers. The City estimates that in 2021, apportioning 0.5% of the state sales tax to Janesville would have generated an estimated \$11.8 million in revenue for the City. This revenue would be paid in part by non-residents that use services in Janesville, the economic hub of our region. This added revenue stream would provide financial flexibility, relieve the tax burden felt by property owners, and allow the City to decrease its reliance on debt for capital projects.

The City asks you restore local fiscal control by:

- Either removing levy limits or allowing municipalities to increase their levies by a maximum of inflation plus net new construction.
- Exempting any budgetary increase for a successful referendum from the ERP limit calculation.
- Apportioning 0.5% of the state sales tax to the municipality of sale.



"MunicipalFacts20", Wisconsin Taxpayer Alliance



# CITY OF JANESVILLE 2023 State Priorities

## Issue 3: Fully Fund the Payment for Municipal Services Program

The State has several facilities in Janesville that rely on critical municipal services such as public safety and solid waste collection. These facilities, of course, do not directly contribute to delivering these services through property taxes. However, the goal of the Municipal Services Program is to ensure the State pays its rightful share as a user of these municipal resources. In keeping with a trend of failing on the program's mission, the State's funding of this program for 2022 covers only 38% of eligible municipal expenses.

As in years past, this leaves Janesville residents to subsidize the remaining 62% of the State's service costs. Being a regional hub, State facilities in our community serve citizens from far beyond our municipality. Yet, the Legislature leaves City taxpayers alone to make up the difference in funding this program. Had the State fully paid for the municipal services it uses, the City would have received an additional \$206,230 in revenue for 2023. The City asks the State to contribute equitably and pay its fair share by fully funding the Municipal Service Program.

## Issue 4: Invest in the Woodman's Sports and Convention Center

The City is requesting the State invest \$15 million in the Woodman's Sports and Convention Center (WSCC) through a portion of Wisconsin's American Rescue Plan funding and a matching grant from the State Building Commission's Non-State Building Grant Program. The creation of the WSCC is designed to drive economic impact through sports and convention tourism, create meaningful job opportunities, and serve as a catalytic project for greater redevelopment efforts. The proposal would also produce equitable health and social outcomes and improve community resiliency for generations.

The State's investment in this project would be a critical component in making this transformational project for Janesville a reality, amounting to approximately 30% of the \$50.5 million total project cost.



Conceptual Project Rendering

Most importantly, the project would be a state guidepost in providing proof that "infill" private-public development strategies can create centers of vibrancy that drive economic, social, and health benefits when the alternative is blight and decaying neighborhoods. Finally, this project represents the resiliency of a community that has shown that the demise of its main economic engine, the former GM Janesville Assembly Plant, was not the demise of its community.

From its most basic benefit, the deployment of upfront capital investment by public and private funders to construct the WSCC is a significant opportunity for Janesville, Wisconsin's tenth-largest City, to benefit from the multiplier effect of additional investment. The State investment will complement the local government and private contributions in what will be the community's most extensive fundraising campaign to date. It will also recognize the State sales and income tax benefit that will result from the project, as this return cannot be captured by the City directly.





# CITY OF JANESVILLE ANNUAL BUDGET 2023



ADAPTABILITY. SERVICE. RESPECT. COMMUNICATION.